

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to at least \$100,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

FINANCIAL HIGHLIGHTS FEBRUARY 29, 2008

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
February 29, 2008

Balance Sheet:

Prepaid & Deferred Charges — is \$.9 million for February. \$7.0 million was transferred to the operating fund to cover 52.0% of the agency's operating costs. February's actual operating costs were \$6.1 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

CU Contributed Capital — increased \$5.3 million primarily due to several credit unions making adjustments to their 1% capitalization deposit.

NCUSIF Equity — remained at 1.30% for February. The equity ratio is based upon an adjusted insured share base of \$565.5 billion at December 31, 2007.

Statement of Revenue and Expense:

Investment Income — is approximately \$2.6 million less than the previous month due to 2 less calendar days in February for which interest was accrued and a drop in interest rates.

NCUSIF Total Operating Expense — of \$6.2 million includes \$102.4 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
FEBRUARY 29, 2008

ASSETS	FEBRUARY 2007	JANUARY 2008	FEBRUARY 2008
Investments:			
U.S. Government Securities	\$7,012,926,241.81	\$7,400,111,669.91	\$7,433,968,860.33
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	0.00	1,081.44	0.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	12,446,178.59	65,163,226.87	61,769,034.79
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Total Other Receivables	12,446,178.59	65,164,308.31	61,769,034.79
Cash	5,218.29	5,836.30	5,658.69
Interest Receivable	40,921,722.28	62,031,832.44	53,853,170.23
Prepaid & Deferred Charges	1,382,357.76	1,222,793.35	912,575.44
Leased Assets	733,503.38	375,998.68	348,715.30
Other	22,205,884.35	21,007,720.18	20,895,975.39
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TOTAL ASSETS	<u>\$7,090,621,106.46</u>	<u>\$7,549,920,159.17</u>	<u>\$7,571,753,990.17</u>
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$4,494,181.73	\$5,167,196.24	\$4,249,596.70
Other	32,560.85	0.00	442.12
Check Clearing Accounts	\$0.00	1,628.97	1,186.85
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Total Current Liabilities	\$4,526,742.58	5,168,825.21	4,251,225.67
Provision for CU Losses (Reserves)	\$72,842,246.81	215,543,938.91	214,760,272.40
Lease Liabilities	\$716,842.39	354,174.02	355,102.04
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TOTAL LIABILITIES	\$78,085,831.78	\$221,066,938.14	\$219,366,600.11
EQUITY			
CU Contributed Capital	\$5,302,054,754.35	\$5,631,464,127.25	\$5,636,810,522.67
Retained Earnings	\$1,710,480,520.33	1,697,389,093.78	1,715,576,867.39
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TOTAL EQUITY	\$7,012,535,274.68	\$7,328,853,221.03	\$7,352,387,390.06
TOTAL LIABILITIES & EQUITY	<u>\$7,090,621,106.46</u>	<u>\$7,549,920,159.17</u>	<u>\$7,571,753,990.17</u>

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending February 29, 2008

	FEB 07	JAN 07	FEB 08
1. Investments/Total Assets	98.90%	98.02%	98.18%
2. Total Equity/Insured Shares	1.31%	1.30%	1.30%
3. Prov. for Losses/CU Capital	1.37%	3.83%	3.81%
4. Non-Earning/Total Assets	0.78%	1.71%	1.54%
5. Available Asset Ratio	1.29%	1.31%	1.33%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING FEBRUARY 29, 2008

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2008	CY TO DATE BUDGETED 2008	CY TO DATE 2007
Investment Income	\$24,294,526.69	\$24,700,000.00	\$51,175,559.01	\$49,400,000.00	\$50,485,376.00
Other Income	83,047.34	75,000.00	\$160,669.73	150,000.00	217,025.65
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Total Income	24,377,574.03	24,775,000.00	51,336,228.74	49,550,000.00	50,702,401.65
EXPENSE					
Employee Pay	3,598,774.15	3,873,964.67	7,632,602.50	8,120,348.37	\$7,555,048.93
Employee Benefits	1,001,551.27	1,062,118.35	2,031,426.64	2,221,742.93	2,034,768.98
Employee Travel	624,155.58	668,035.48	766,977.82	1,336,070.97	549,522.94
Rent/Communications/Utilities	192,964.26	180,594.97	250,666.74	361,189.94	218,664.86
Administrative Costs	454,030.30	513,020.57	912,237.98	1,026,041.14	589,300.77
Contracted Services	215,949.00	380,493.12	245,467.59	760,986.25	186,415.20
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Subtotal NCUA Operating Exp.	6,087,424.56	6,678,227.16	11,839,379.27	13,826,379.60	11,133,721.68
AMAC Expense	0.00	1,000.00	0.00	2,000.00	91.99
Training Expense	71,688.97	100,000.00	75,093.85	200,000.00	154,848.47
Leasing Expense	28,211.40	30,667.00	55,991.76	61,334.00	28,550.99
Other Insurance Expense	2,475.49	3,000.00	2,353.86	6,000.00	6,515.01
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Total Operating Exp.	6,189,800.42	6,812,894.16	11,972,818.74	14,095,713.60	11,323,728.14
Insurance Loss	0.00	4,500,000.00	0.00	9,000,000.00	928,331.40
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Total Expense	\$6,189,800.42	\$11,312,894.16	\$11,972,818.74	\$23,095,713.60	\$12,252,059.54
NET INCOME	<u>\$18,187,773.61</u>	<u>\$13,462,105.84</u>	<u>\$39,363,410.00</u>	<u>\$26,454,286.40</u>	<u>\$38,450,342.11</u>
Retained Earnings, Beginning of Year			\$1,676,213,457.39		\$1,672,030,178.22
Prior Year Adjustment			0.00		0.00
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As Restated			1,676,213,457.39		1,672,030,178.22
Net Income			39,363,410.00		38,450,342.11
			-----		-----
			1,715,576,867.39		1,710,480,520.33
Dividends			0.00		0.00
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Retained Earnings, Year To Date			<u>\$1,715,576,867.39</u>		<u>\$1,710,480,520.33</u>

Comparative Analysis of NCUSIF Ratios for February 29, 2008

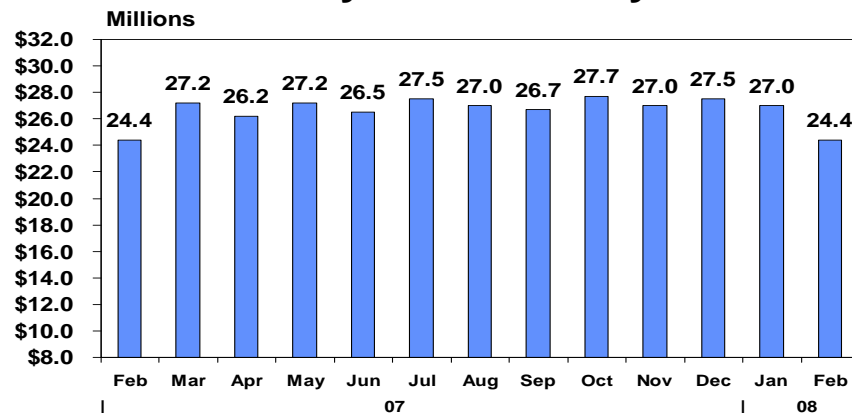
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	21.45%	25.39%	22.33%	23.32%
2. Ins. Loss/Total Income	0.00%	0.00%	1.83%	0.00%
3. Total Exp./Total Income	21.45%	25.39%	24.16%	23.32%
4. Net Income/Total Income	78.55%	74.61%	75.84%	76.68%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
February 29, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 53,409,554.65
Other income received	160,669.73
Repayment of advances to credit unions (FCU Act §208)	-
Cash paid for operating expenses	(43,984,868.40)
Net cash (paid) received for insurance losses	<u>2,452,453.71</u>
Net cash provided by operating activities	<u>12,037,809.69</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(64,256,687.50)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>223,791.06</u>
Net cash provided by (used in) investing activities	<u>(64,032,896.44)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	51,707,927.48
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(90,058.97)</u>
Net cash provided by financing activities	<u>51,617,868.51</u>
NET INCREASE (DECREASE) IN CASH	(377,218.24)
CASH, BEGINNING OF YEAR	<u>382,876.93</u>
CASH, ENDING FEBRUARY 29, 2008	<u><u>\$ 5,658.69</u></u>

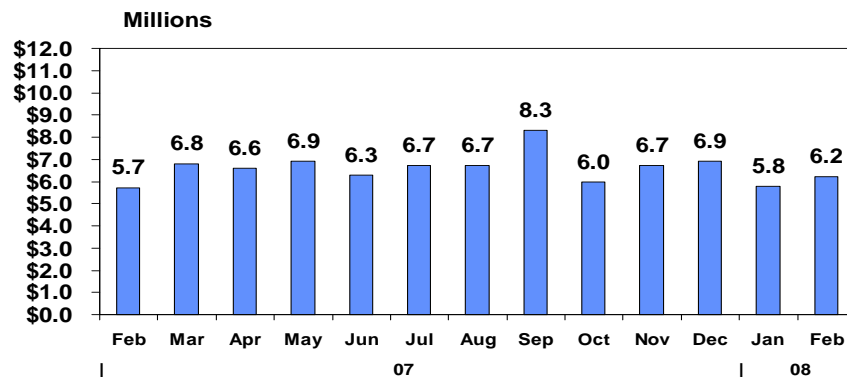
GROSS INCOME

February 07 – February 08



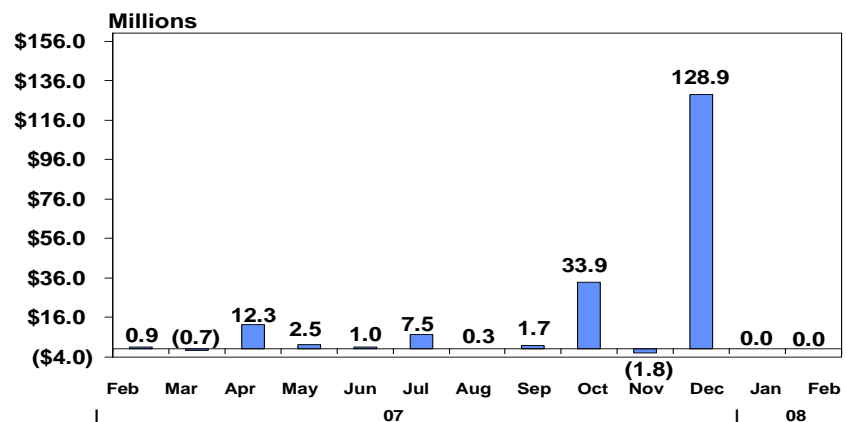
OPERATING EXPENSE

February 07 – February 08



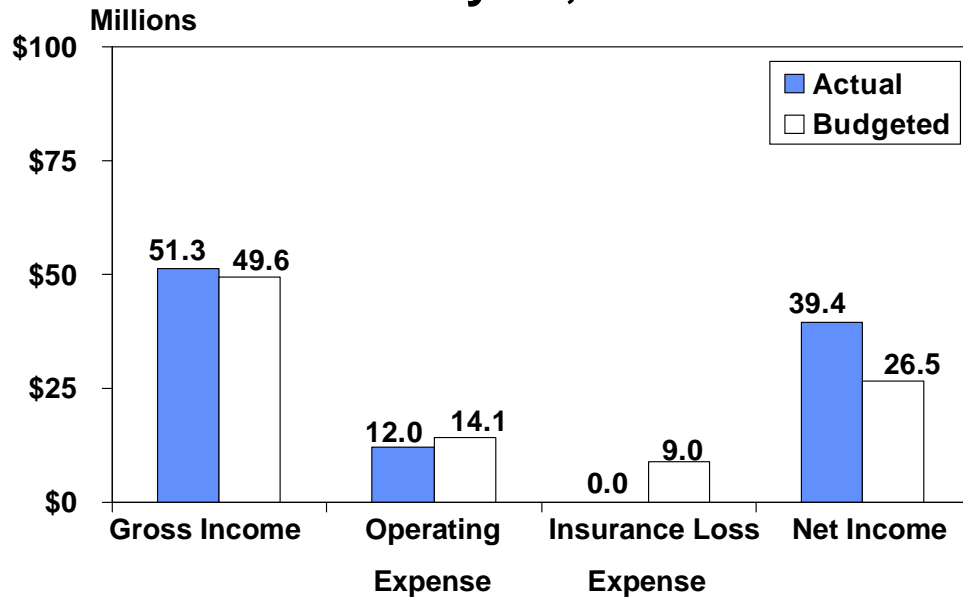
INSURANCE LOSS EXPENSE

February 07 – February 08



REVENUE AND EXPENSE

February 29, 2008



NCUSIF EQUITY RATIO

February 29, 2008

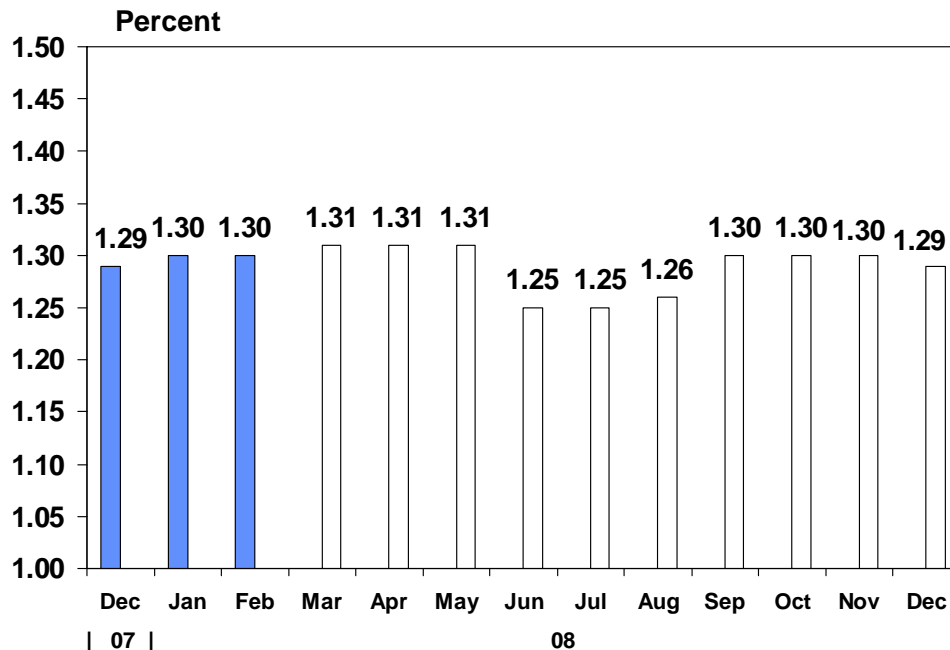
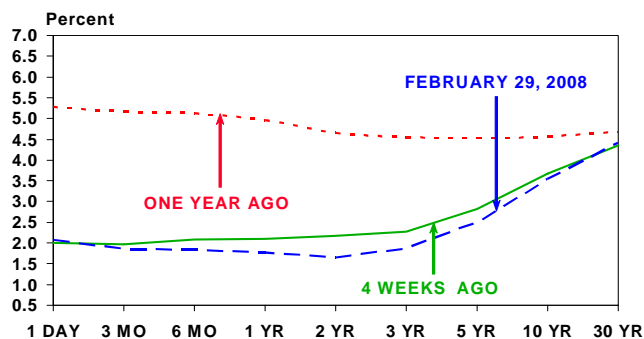


TABLE 4

INVESTMENT PORTFOLIO SUMMARYFebruary 29, 2008

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,321,018,000	\$1,321,018,000	\$0	100.00%	2.64%
U.S. Treasury Notes	\$6,112,950,861	\$6,394,640,625	\$281,689,764	104.61%	4.41%
TOTAL	\$7,433,968,861	\$7,715,658,625	\$281,689,764	103.79%	4.10%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY08 Projections	
Investment Yield	4.30%	4.10%	4.20%	3.98%	
Investment Income	\$26,881,032	\$24,294,527	\$51,175,559	\$296 Million	
Income Budgeted	\$24,700,000	\$24,700,000	\$49,400,000	\$296 Million	
Income/Budgeted Ratio	108.8%	98.4%	103.6%	100.00%	
Weighted Avg. Maturity in Days	567	685			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
2/11/2008	Treasury Note	\$150,000,000	3/31/2012	2.46%	
2/11/2008	Treasury Note	\$350,000,000	2/15/2013	2.65%	
2/11/2008	Treasury Note	\$50,000,000	11/15/2017	3.59%	
TOTAL		\$550,000,000			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,571.0				
3 months - 1 year	1,350.0				
1 year - 2 years	1,550.0				
2 years - 3 years	1,000.0				
3 years - 4 years	1,000.0				
4 years - 5 years	900.0				
5 years - 10 years	50.0				
TOTAL	\$7,421.0				

TREASURY YIELD CURVE



MATURITY SCHEDULE

February 29, 2008

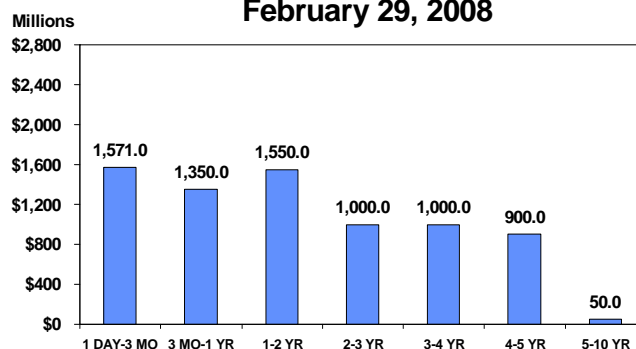


TABLE 5

MONTHLY YIELD COMPARISONSFebruary 29, 2008

YIELD COMPARISONS								
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08
NCUSIF Yield	4.49%	4.40%	4.50%	4.47%	4.39%	4.36%	4.30%	4.10%
90-day T-Bill	4.96%	4.01%	3.82%	3.94%	3.15%	3.36%	1.96%	1.85%
1-year T-Bill	4.85%	4.19%	4.05%	4.04%	3.26%	3.34%	2.11%	1.77%
2-year T-Note	4.56%	4.15%	3.97%	3.94%	3.04%	3.05%	2.17%	1.65%
30-year T-Note	4.92%	4.83%	4.83%	4.74%	4.40%	4.45%	4.35%	4.41%

YIELD COMPARISONS

February 29, 2008

